



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui

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FOR IMMEDIATE RELEASE

Tuesday, June 04, 2002

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MATSUI INTRODUCES BILL TO RELIEVE CALIFORNIA CHILD SUPPORT PENALTIES

WASHINGTON, DC—Today Congressman Robert T. Matsui (D-Sacramento) introduced legislation that would relieve some of the penalties that CA is forced to pay for not having an automated child support collection system up and running. California has been paying hefty fines every year since the state failed to meet the 1996 Welfare Reform Act requirement by the October 1997 deadline. Currently, only California and South Carolina remain penalized.

Due to a flaw in the penalty structure, the more California invests in its child support collection system, the bigger the penalties get. Rep. Matsui's bill will correct the problem by pegging the penalty rate not to the prior year's budget – an amount that has steadily increased as California improves its child collection system – but on the base year 1997 expenditure. This change would effectively cut the penalties in half. Furthermore, the bill would allow California to reinvest up to 100% of the penalties back into the system as long as the state is making progress towards the end goal and continuing to increase investment in the system.

“At first, these penalties were a necessary catalyst for change. But over time, they have become a hurdle to solving the problem. The more California invests in our child support program, the bigger these penalties become,” said Matsui. “My bill removes these disincentives and allows the state to reinvest the penalties back into the program as long as we’re making progress. In the end, we have to remain focused on our goal: better serving children and families in the child support system.”

The penalties gradually increased from 4% in 1998 to a maximum rate of 30% in 2002. By FY 2003, California will have paid a cumulative total of \$554 million in penalties. Next year's penalty is estimated at \$181 million. By 2003, more than half of the annual penalty will be based on the increased investment that California has made in the program. By 2005, when the program is expected to be fully operational, the state will have paid over \$1 billion in penalties.

Several groups and organizations support this legislation including the National Women's Law Center, the Center for Law and Social Policy, and the California Chapter of the National Organization for Women. In addition, the Association for Children for Enforcement Support (ACES), which is the national child support advocacy organization, has written a letter of support.

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